

UAC INSURANCE MUTUAL

Board of Trustees Meeting

Thursday, July 19, 2001, 9:30 a.m.
Utah Association of Counties Board Room

A G E N D A

9:30	Call to Order	Gary Herbert
	Review of Board Members Absent	Gary Herbert
	Approval of May 17 Minutes	Gary Herbert
	Broker Report	John Chino
	2002 Premium Formula	Shawn Guzman
	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	
	Action on Litigation Matters	Kent Sundberg
11:30	Lunch Break	
	Summary of Financial Statements	Shawn Guzman
	2002 Administrative Budget	Brent Gardner
	Second Quarter Broker Review	Shawn Guzman
	Set Date and Time for Closed Meeting to Discuss the Character, Professional Competence, Physical or Mental Health of an Individual	
	Other Business	
1:30	Adjourn	

UACIM BOARD OF TRUSTEES MEETING

MINUTES

July 19, 2001, 9:30 a.m.

Utah Association of Counties, Salt Lake City, Utah

BOARD MEMBERS PRESENT

Dan McConkie, *Vice President*, Davis County Commissioner
Kay Blackwell, Piute County Commissioner
Lynn Lemon, Cache County Executive
Royal Norman, Box Elder County Commissioner
Tex Olsen, Sevier County Commissioner
Ed Phillips, Millard County Sheriff
Kent Sundberg, Utah County Deputy Attorney

BOARD MEMBERS ABSENT

Gary Herbert, President, Utah County Commissioner
Ken Bischoff, *Secretary-Treasurer*, Weber County Commissioner
LaVar Cox, Millard County Commissioner
Ty Lewis, San Juan County Commissioner

OTHERS PRESENT

Steve Baker, Davis County Personnel Director
Dave Wilson, Weber County Deputy Attorney
Brent Gardner, UAC Executive Director
Shawn Guzman, UACIM Director
Sonya White, UACIM Administrative Assistant
Korby Siggard, Account Manager, McLarens Toplis
John Chino, Account Manager, Arthur J. Gallagher & Co.

CALL to ORDER

Gary Herbert requested that Dan McConkie conduct this meeting in his absence. Dan called the meeting to order and welcomed those in attendance.

REVIEW of BOARD MEMBERS ABSENT

Gary Herbert requested to be excused from this meeting due to a prior commitment. Ken Bischoff requested to be excused from this meeting due to illness. LaVar Cox requested to be excused from this meeting to be with his wife who is having surgery. Ty Lewis had not contacted staff as to why he is not in attendance. Ed Phillips made a motion to excuse Gary Herbert, Ken Bischoff and LaVar Cox from this meeting. Royal Norman seconded the motion, which passed unanimously. Tex Olsen made a motion to excuse Ty Lewis from this meeting. Royal Norman seconded the motion, which passed unanimously.

APPROVAL of MINUTES

The minutes of the Board of Trustees meeting held May 17, 2001 were previously sent to the Board Members for review. Royal Norman made a motion to approve the May 17, 2001 meeting minutes as written. Lynn Lemon seconded the motion, which passed unanimously.

BROKER REPORT

John Chino reviewed the Conning Pricing Survey chart he prepared showing the average change in pricing of renewals from Fall 1999 to Spring 2001 as a follow-up to the *Kiplinger Letter* provided to the Board at the May meeting (see attachment #1). As shown, insurance costs continue to rise. In comparing the renewal premiums of 30 companies, the market began to harden in 2000. By spring 2001, premiums had increased 10%. Although companies have increased their premiums they are still losing money. They have spent all their reserves and are predicted to increase rates until 2002. Gallaghers is finding that only the smaller companies are interested in the public sector market, which leaves little leverage for negotiations. UACIM is a profitable account and in addition to marketing the account, Gallaghers is looking at other options that will be presented to the Board at the next meeting.

2002 ADMINISTRATIVE BUDGET

Brent Gardner reported that he has made an effort to project the 2002 administrative budget by using the six-month actual numbers for 2001 (see attachment #2). Brent reported that he has met with Shawn Guzman and Sonya White who have requested that a recommendation be made to the Board that Sonya's duties be allocated 100% to the Mutual. She is compensated at approximately 60% UACIM, 30% MCAT and 10% UAC. Therefore, the budget increase in salary and benefits include the full allocation of Sonya's salary to the Mutual. It is recommended that the auto reserve item increase due to cost increase at the factory level. Board expenses will go over budget in 2001 due to the Board traveling to different sites for their meetings. Lynn Lemon suggested that under budget items should be decreased instead of kept at the same amount previously budgeted and that the item for the newsletter should be removed because the website is the Mutual's source for information, announcements, etc. Kent Sundberg made a motion to approve the 2002 administrative budget with the following adjustments; increase board expense to \$15,000, eliminate the newsletter line item, decrease office supplies to \$2000, decrease other insurance to \$1500 and decrease postage to \$3000 for a total administrative budget of \$494,804. Ed Phillips seconded the motion, which passed unanimously.

SET DATE and TIME for CLOSED MEETING

Lynn Lemon made a motion to set the date and time for a closed meeting to discuss the character, professional competence, physical or mental health of an individual to begin at 10:00 a.m. on July 19, 2001.

Kent Sundberg made a motion to conclude the closed meeting at 11:30 a.m. on July 19, 2001. Tex Olsen seconded the motion, which passed unanimously.

SET DATE and TIME for CLOSED MEETING

Kent Sundberg made a motion setting the time and date for a closed meeting to begin at 11:40 a.m. on July 19, 2001, to discuss pending or reasonably imminent litigation. Lynn Lemon seconded the motion, which passed unanimously.

Kent Sundberg made a motion to conclude the closed meeting at 11:50 a.m. on July 19, 2001. Tex Olsen seconded the motion, which passed unanimously.

ACTION on LITIGATION MATTERS

Kent Sundberg made a motion authorizing settlement in the amount up to \$35,000 in the matter of claim number JUA01087930. Ed Phillips seconded the motion, which passed unanimously.

2002 PREMIUM FORMULA

Shawn Guzman explained that from 1992 to 1996 premiums were calculated based on straight losses. In 1997 a formula was adopted that averaged the prior three years loss history (minus any losses incurred over \$25,000) and then capped the premium at 7%, i.e., no member's loss fund portion of the premium would increase/decrease more than 7%. The reinsurance portion of the premium was allocated by using the exposures of the members. The expenses portion of the premium was allocated by using a per-member amount and a pro-rated amount. The totals of these three parts were added together and then capped again at 7%. The cap caused the Mutual to under fund the loss fund/attachment point by \$145,467. Because of these caps, premiums are not being fairly allocated. For 2002, Shawn explained that he is anticipating a 15% increase in property and liability premiums and estimates the Mutual's

2002 attachment point will be \$1.9 million. With these increases, Sonya White input the new loss information, 2002 renewal information and expense budgets into last year's formula. If the loss fund and final premium allocations are capped again, the loss fund will be under funded by \$514,233. Three proposals were given to the Board for discussion (see attachment #3). Proposal #1 would take off the capped loss fund and final premium and fully fund the Mutual at \$3,819,227. Proposal #2 showed a five-year average of no cap premiums that would under fund the Mutual \$354,236. Proposal #3 was calculated the same as proposal #2 but allocated \$354,236—the amount proposal #2 would be under funded—back into each member's premium, based on their percentage of the total premium, to fully fund the Mutual for 2002. Sonya compiled a spreadsheet showing what each member under/over paid in premiums because of the caps (see attachment #4). Fourteen out of the 25 members have underpaid their annual premium contribution since 1997. Counties that have overpaid have more equity or surplus in the Mutual. The Board requested that the following scenarios be calculated and presented to the board at the next meeting: 1) use a five year loss history with no adjusted losses and a 10% cap on the loss fund portion of the formula and on the reinsurance portion of the formula, calculate 100% property and cap the liability at 10%, and 2) use a five year loss history with losses adjusted at \$100,000 and no cap on the loss fund portion of the formula and on the reinsurance portion of the formula, calculate 100% property and cap the liability at 10%.

SUMMARY of FINANCIAL STATEMENTS

The May financial statements were previously sent to the Board for review (see attachment #5). Shawn Guzman reported that the investment income, page four, is at \$230,065. Investment income is not increasing as anticipated because interest is at an all time low of 4.78% as noted on page 10. Net income is at \$142,158. All fees for the Mutual are paid at the beginning of the year so net income will start accelerating the third quarter. With the increase in non-admitted assets, page five, the net change in paid-in-surplus amounted to \$55,340 leaving a balance in surplus of \$4,497,503. The statutory budget to actual comparison, page 12, shows that with the year 42% complete, the net income of the Mutual is at 62%.

SECOND QUARTER BROKER REVIEW

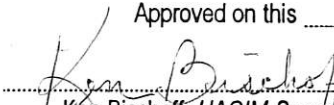
Shawn Guzman reported that John Chino and Rich Stokluska have been very attentive with all of the performance measure items even though they are in the process of marketing the Mutual's account and preparing a proposal for brokerage services. Shawn recommended that the second quarter bonus be approved for payment. Kay Blackwell made a motion approving the second quarter bonus of \$5000 to be paid to Arthur J. Gallagher & Company. Royal Norman seconded the motion, which passed unanimously.

OTHER BUSINESS

Shawn Guzman reported that the Insurance Department has notified the Mutual that it must comply with *Insurance Privacy Requirements* although the definitions clearly do not apply to the Mutual. He met with representatives of URMMA and ULGT in an effort to propose legislation exempting Mutual Insurance Companies from the Department's regulations. The Mutual has tried legislation before but this time Workers Comp of Utah will not be an opponent. It has been suggested that Randy Smart, former deputy at the Insurance Department and attorney, assist in drafting the legislation. Costs will be equally shared between URMMA, ULGT and UACIM. If passed, the Mutual will no longer be required to pay for and file quarterly statements as well as pay for a Department audit. The Board agreed that the cost savings outweigh the expense of drafting the legislation. Tex Olsen made a motion authorizing Shawn Guzman to continue to work with URMMA and ULGT to draft legislation exempting Mutual Insurance Companies from the State Insurance Department's regulations. Royal Norman seconded the motion, which passed unanimously.

The next Board of Trustees meeting is scheduled for Thursday, August 23, 2001, 9:00 a.m. at the Utah Association of Counties Building.

Approved on this _____ day of _____, 2001


Ken Bischoff, UACIM Secretary-Treasurer, Weber County Commissioner

AFFIDAVIT OF DAN R. McCONKIE

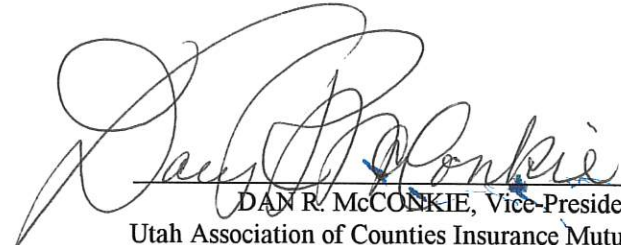
STATE OF UTAH)
)
) :ss
COUNTY OF SALT LAKE)

Dan R. McConkie, being duly sworn upon oath, deposes and says:

1. That the affiant has personal knowledge of the matters hereinafter referred to in this Affidavit.
2. That the Affiant, on or about the 19 day of July, 2001, presided over a meeting of the Utah Association of Counties Insurance Mutual Board of Trustees, an open and public meeting within the provisions of Chapter 4, Title 52, Utah Code Annotated, 1953, as amended.
3. That a quorum of the Utah Association of Counties Insurance Mutual Board of Trustees was present and at least two-thirds of the members present, voted to close the meeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as amended, for the purpose of discussing the character, professional competence, or physical or mental health of an individual.
4. That the affiant was present throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the affiant does hereby affirm that the sole purpose for closing the meeting was to discuss the character, professional competence, or physical or mental health of an individual or individuals.

FURTHER, Affiant saith not.

DATED this 19 day of July, 2001.

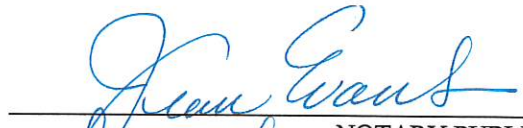

DAN R. McCONKIE, Vice-President
Utah Association of Counties Insurance Mutual

On the 19th day of July, 2001, personally appeared before me Dan R. McConkie, who, after being by me duly sworn, deposed and said that the information contained in the above and foregoing Affidavit is true and correct.



Residing at:

My Commission Expires:


NOTARY PUBLIC
Salt Lake City, Utah
Jan. 31, 2002

OFFICE OF THE
F. JEAN EVANS
DIRECTOR
PUBLIC
ADMINISTRATION



UAC INSURANCE MUTUAL
2002 PROPOSED ADMINISTRATIVE BUDGET

REVENUES COLLECTED

Management Fees	497,304
Interest	0
Total Revenue	497,304

EXPENSES PAID

Accounting/Audit	750
Administrative Fees	5,000
Auto Expenses	9,500
Auto Reserve	15,120
Board Expenses	10,000
Consulting Fees	0
Copying	1,500
Data Processing	4,800
Dues, Subscriptions	1,500
FICA	14,304
Loss Control/Training	14,000
Medical Insurance	32,340
Newsletter	1,000
Office Equipment	5,000
Office Rent: <i>Debt Service</i>	85,979
Office Rent: <i>Operating Expense</i>	13,500
Office Rent: <i>Reserve</i>	17,260
Office Rent: <i>Depreciation</i>	5,634
Office Supplies	4,000
Other Insurance	5,000
Postage	4,000
Printing	1,000
Retirement	40,580
Staff Expense	17,500
Staff Salaries	182,137
Technical Assistance	400
Telephone	5,500
Total Expenses	497,304

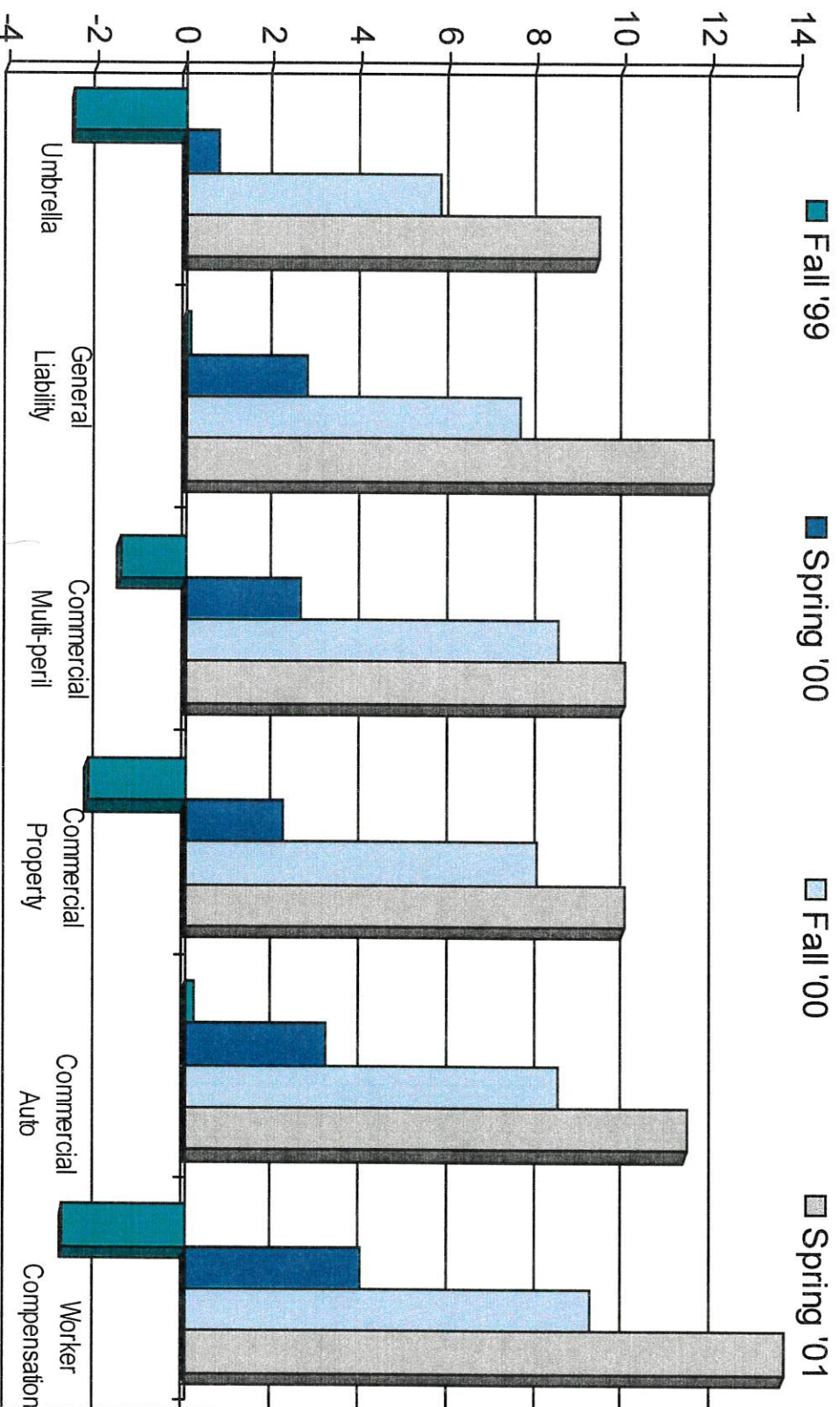
ENDING BALANCE	0
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UAC INSURANCE MUTUAL

Administrative Budget

	2000 Budget	2000 Actual	2001 Budget	2001 Actual <small>as of 6/30/01</small>	2002 Budget <small>Proposed</small>
REVENUES COLLECTED					
Beginning Balance					
Management Fees	447,686	447,686	446,815	223,408	497,304
Interest	0	24,229	0	12,490	0
Total Revenue	447,686	471,915	446,815	235,898	497,304
EXPENSES PAID					
Accounting/Audit	550	2,105	550	275	750
Administrative Fees	5,000	10,000	5,000	0	5,000
Auto Expenses	6,000	5,018	7,500	4,695	9,500
Auto Reserve	14,000	14,000	14,000	0	15,120
Board Expenses	8,000	8,900	7,000	10,913	10,000
Consulting Fees	0	0	0	0	0
Copying	1,200	1,538	1,200	0	1,500
Data Processing	3,500	4,230	3,500	1,322	4,800
Dues, Subscriptions	1,250	1,621	1,250	1,899	1,500
FICA	11,000	11,349	11,400	6,183	14,304
Loss Control/Training	10,700	12,102	14,000	6,448	14,000
Medical Insurance	26,900	23,676	29,400	17,069	32,340
Newsletter	1,000	0	1,000	0	1,000
Office Equipment	5,000	9,051	5,000	0	5,000
Office Rent	120,000				
Debt Service		92,833	85,128	14,091	85,979
Operating Expense		17,306	9,393	5,196	13,500
Reserve			17,260	0	17,260
Depreciation			5,634	0	5,634
Office Supplies	4,000	2,116	4,000	1,292	4,000
Other Insurance	5,000	1,372	5,000	546	5,000
Postage	4,000	2,716	4,000	1,137	4,000
Printing	1,000	307	1,000	726	1,000
Retirement	35,324	32,180	34,150	12,960	40,580
Staff Expense	13,500	14,218	15,000	10,608	17,500
Staff Salaries	164,862	146,512	159,550	79,678	182,137
Technical Assistance	400	0	400	0	400
Telephone	5,500	4,092	5,500	2,663	5,500
Total Expenses	447,686	417,242	446,815	177,700	497,304
ENDING BALANCE	0	30,444	0	58,199	0

Conning Pricing Survey **Average Change in Pricing of Renewals** **Fall '99 to Spring '01**



2002 Premium Contribution Proposals

	PRIOR 5-YEAR PREMIUM CONTRIBUTION					PROPOSAL #1	PROPOSAL #2	PROPOSAL #3	PERCENTAGE total premium
	1997 5% overall cap	1998 5% loss fund 5% overall cap	1999 7% loss fund 7% overall cap	2000 7% loss fund 7% overall cap	2001 7% loss fund 7% overall cap	2002 no cap	AVERAGE premium payments	FULLY FUND avg+underfund allocation	
BEAVER	57,972	60,076	62,378	65,378	69,954		63,152		
w/o cap	57,616	93,076	95,573	103,967	79,818	74,912	84,160	91,108	2%
BOX ELDER	199,334	192,759	173,386	169,078	167,505		180,412		
w/o cap	189,757	167,718	149,417	139,863	118,085	125,398	148,373	160,004	4%
CACHE	222,812	217,311	201,590	194,768	194,552		206,206		
w/o cap	222,812	194,000	164,599	138,613	157,790	174,396	175,368	191,544	5%
CARBON		19,538	78,156	77,154	82,555		64,351		
w/o cap		19,538	78,156	75,042	108,120	177,813	91,734	108,226	3%
DAGGETT					36,735				
w/o cap					34,265	40,930	37,598	41,394	1%
DAVIS	301,205	314,277	323,357	345,992	370,211		331,008		
w/o cap	301,205	359,805	499,847	557,945	455,762	318,133	415,450	444,957	12%
DUCHESNE	98,610	99,079	99,203	104,173	111,465		102,506		
w/o cap	98,610	97,957	99,203	106,274	130,854	101,457	105,726	115,136	3%
EMERY	218,543	207,432	190,885	177,523	165,096		191,896		
w/o cap	190,553	136,371	132,176	142,108	129,646	88,336	136,532	144,725	4%
GARFIELD	69,109	66,532	62,825	64,368	64,364		65,440		
w/o cap	69,590	57,877	59,353	61,579	47,868	46,096	57,061	61,336	2%
GRAND	93,663	92,749	86,681	83,415	81,599		87,621		
w/o cap	96,259	66,612	67,251	65,815	65,463	91,131	75,422	83,874	2%
IRON	166,260	159,345	147,452	143,039	140,837		151,387		
w/o cap	166,260	107,517	98,134	121,914	131,280	149,107	129,035	142,865	4%
JUAB	87,377	86,154	82,601	88,383	94,570		87,817		
w/o cap	87,377	80,552	56,064	170,061	143,320	152,175	114,925	129,039	3%
KANE	64,211	61,361	55,592	58,795	62,911		60,574		
w/o cap	60,694	52,868	36,758	126,035	119,011	152,724	91,348	105,514	3%
MILLARD	94,236	97,684	98,702	105,566	112,956		101,829		
w/o cap	94,236	141,062	132,454	125,911	118,080	157,505	128,208	142,817	4%
PIUTE	15,436	16,688	17,502	18,727	20,038		17,678		
w/o cap	23,868	19,350	23,517	23,533	18,163	18,902	21,222	22,975	1%
RICH	38,797	38,492	36,229	35,251	37,073		37,168		
w/o cap	39,212	25,681	27,080	30,839	60,668	63,253	41,122	46,989	1%
SAN JUAN	115,861	120,895	126,700	133,907	143,280		128,129		
w/o cap	115,861	124,284	133,226	163,849	154,040	187,859	146,520	163,944	4%
SANPETE	97,316	92,364	86,520	83,655	80,766		88,124		
w/o cap	95,613	67,721	43,324	62,768	53,797	61,680	64,151	69,871	2%
SEVIER	79,236	74,564	71,331	70,543	73,361		73,807		
w/o cap	80,903	69,768	64,871	69,030	70,305	74,069	71,491	78,361	2%
UINTAH	172,929	181,084	190,368	182,821	189,386		183,318		
w/o cap	179,897	224,497	191,003	182,625	189,386	142,494	184,984	198,200	5%
UTAH	303,934	317,837	323,894	346,567	370,827		332,612		
w/o cap	310,909	426,999	424,909	512,853	460,344	453,176	431,532	473,564	12%
WASATCH	116,718	122,586	126,649	125,797	134,603		125,271		
w/o cap	117,745	141,753	149,491	117,643	180,196	160,389	144,536	159,412	4%
WASHINGTON	195,913	201,767	180,979	176,172	176,543		186,275		
w/o cap	195,913	185,120	137,015	142,778	165,645	230,574	176,174	197,560	5%
WAYNE	36,176	37,696	39,475	40,968	41,209		39,105		
w/o cap	37,751	37,696	41,958	60,728	41,210	42,444	43,631	47,568	1%
WEBER			219,831	235,219	251,684		235,578		
w/o cap			219,831	240,325	400,327	534,275	348,689	398,244	10%
						3,819,227	3,464,991	3,819,227	100%

Underfund \$354,236

NOTES: Premiums based on: (1) 1998-2000 Average Adjusted Losses, (2) Reinsurance (property: 100% value; liability: 52% auto, 29% expenditures, 19% EO), (3) Expenses (pro-rated and per member)

PRIOR 5-YEAR PREMIUM CONTRIBUTION

	1997	1998	1999	2000	2001	TOTALS
BEAVER	57,972	60,076	62,378	65,378	69,954	
w/o cap	57,616	93,076	95,573	103,967	79,818	
over/under	356	-33,000	-33,195	-38,589	-9,864	-114,292
BOX ELDER	199,334	192,759	173,386	169,078	167,505	
w/o cap	189,757	167,718	149,417	139,863	118,085	
over/under	9,577	25,041	23,969	29,215	49,420	137,222
CACHE	222,812	217,311	201,590	194,768	194,552	
w/o cap	222,812	194,000	164,599	138,613	157,790	
over/under	0	23,311	36,991	56,155	36,762	153,218
CARBON		19,538	78,156	77,154	82,555	
w/o cap		19,538	78,156	75,042	108,120	
over/under		0	0	2,112	-25,565	-23,454
DAGGETT					36,735	
w/o cap					34,265	
over/under					2,470	2,470
DAVIS	301,205	314,277	323,357	345,992	370,211	
w/o cap	301,205	359,805	499,847	557,945	455,762	
over/under	0	-45,528	-176,490	-211,953	-85,551	-519,522
DUCHESNE	98,610	99,079	99,203	104,173	111,465	
w/o cap	98,610	97,957	99,203	106,274	130,854	
over/under	0	1,122	0	-2,101	-19,389	-20,367
EMERY	218,543	207,432	190,885	177,523	165,096	
w/o cap	190,553	136,371	132,176	142,108	129,646	
over/under	27,990	71,061	58,709	35,415	35,450	228,625
GARFIELD	69,109	66,532	62,825	64,368	64,364	
w/o cap	69,590	57,877	59,353	61,579	47,868	
over/under	-481	8,655	3,472	2,789	16,496	30,931
GRAND	93,663	92,749	86,681	83,415	81,599	
w/o cap	96,259	66,612	67,251	65,815	65,463	
over/under	-2,596	26,137	19,430	17,600	16,136	76,707
IRON	166,260	159,345	147,452	143,039	140,837	
w/o cap	166,260	107,517	98,134	121,914	131,280	
over/under	0	51,828	49,318	21,125	9,557	131,828
JUAB	87,377	86,154	82,601	88,383	94,570	
w/o cap	87,377	80,552	56,064	170,061	143,320	
over/under	0	5,602	26,537	-81,678	-48,750	-98,289
KANE	64,211	61,361	55,592	58,795	62,911	
w/o cap	60,694	52,868	36,758	126,035	119,011	
over/under	3,517	8,493	18,834	-67,240	-56,100	-92,496
MILLARD	94,236	97,684	98,702	105,566	112,956	
w/o cap	94,236	141,062	132,454	125,911	118,080	
over/under	0	-43,378	-33,752	-20,345	-5,124	-102,600
PIUTE	15,436	16,688	17,502	18,727	20,038	
w/o cap	23,868	19,350	23,517	23,533	18,163	
over/under	-8,432	-2,662	-6,015	-4,806	1,875	-20,040
RICH	38,797	38,492	36,229	35,251	37,073	
w/o cap	39,212	25,681	27,080	30,839	60,668	
over/under	-415	12,811	9,149	4,412	-23,595	2,362
SAN JUAN	115,861	120,895	126,700	133,907	143,280	
w/o cap	115,861	124,284	133,226	163,849	154,040	
over/under	0	-3,389	-6,526	-29,942	-10,760	-50,616
SANPETE	97,316	92,364	86,520	83,655	80,766	
w/o cap	95,613	67,721	43,324	62,768	53,797	
over/under	1,703	24,643	43,196	20,887	26,969	117,398
SEVIER	79,236	74,564	71,331	70,543	73,361	
w/o cap	80,903	69,768	64,871	69,030	70,305	
over/under	-1,667	4,796	6,460	1,513	3,056	14,158
UINTAH	172,929	181,084	190,368	182,821	189,386	
w/o cap	179,897	224,497	191,003	182,625	189,386	
over/under	-6,968	-43,413	-635	196	0	-50,820
UTAH	303,934	317,837	323,894	346,567	370,827	
w/o cap	310,909	426,999	424,909	512,853	460,344	
over/under	-6,975	-109,162	-101,015	-166,286	-89,517	-472,956
WASATCH	116,718	122,586	126,649	125,797	134,603	
w/o cap	117,745	141,753	149,491	117,643	180,196	
over/under	-1,027	-19,167	-22,842	8,154	-45,593	-80,475
WASHINGTON	195,913	201,767	180,979	176,172	176,543	
w/o cap	195,913	185,120	137,015	142,778	165,645	
over/under	0	16,647	43,964	33,394	10,898	104,904
WAYNE	36,176	37,696	39,475	40,968	41,209	
w/o cap	37,751	37,696	41,958	60,728	41,210	
over/under	-1,575	0	-2,483	-19,760	-1	-23,819
WEBER			219,831	235,219	251,684	
w/o cap			219,831	240,325	400,327	
over/under			0	-5,106	-148,643	-153,749

EXPOSURES

COUNTY	TOTAL INSURED VALUE				NUMBER of VEHICLES				TOTAL EXPENDITURES				NUMBER of EMPLOYEES			
	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002
Beaver	14,053,916	14,053,916	13,984,520	13,966,639	42	42	33	33	5,618,187	3,458,187	3,804,005	8,326,647	68	68	75	74
Box Elder	30,344,521	31,189,654	33,332,761	33,332,761	135	152	136	136	8,309,599	8,992,716	9,804,794	9,804,794	150	155	155	155
Cache	31,959,427	33,279,827	34,475,937	27,656,671	188	199	212	206	17,711,874	18,855,584	18,959,783	22,415,478	168	163	169	174
Carbon		22,172,573	22,244,448	23,659,046		97	97	100		8,913,057	9,134,031	10,047,434		120	121	101
Daggett			5,261,446	10,313,429			32	30			3,363,229	3,356,166			38	38
Davis	60,511,061	64,133,430	66,972,203	65,747,750	209	206	201	201	47,000,000	56,000,000	52,000,000	51,521,631	550	615	650	668
Duchesne	23,998,115	23,100,049	25,064,521	22,816,170	103	101	105	103	9,023,229	7,966,644	10,726,958	11,004,317	114	118	119	122
Emery	24,428,909	23,805,154	24,120,135	24,326,846	129	142	133	137	10,355,317	10,661,712	10,609,000	10,082,000	107	105	106	101
Garfield	8,685,977	13,773,777	13,604,769	15,499,301	48	70	61	68	4,758,952	5,182,541	5,700,795	7,591,845	86	60	72	68
Grand	11,730,940	12,616,099	13,467,216	16,112,312	65	56	54	77	6,237,654	7,502,433	6,233,218	9,113,000	95	100	100	100
Iron	28,158,517	28,642,478	26,761,208	27,145,708	100	117	106	119	8,974,594	10,533,705	11,877,064	14,466,332	215	140	141	150
Juab	18,804,838	18,860,606	19,152,357	14,853,342	68	71	73	73	5,651,795	5,701,597	5,781,445	5,274,825	56	55	55	55
Kane	5,607,330	5,607,330	5,712,604	5,983,604	52	59	58	82	2,200,000	2,800,000	6,098,767	6,563,213	54	48	62	63
Millard	22,718,666	24,529,419	24,179,823	24,311,339	113	121	124	128	10,996,311	10,996,311	11,919,718	12,278,494	120	124	125	127
Piute	4,678,539	3,449,455	3,413,455	3,413,455	24	24	23	23	1,285,900	1,246,000	1,276,100	1,276,100	26	24	24	24
Rich	2,296,404	2,562,339	2,734,890	2,750,000	34	34	40	23	1,585,000	1,585,000	1,768,420	1,822,856	35	35	35	35
San Juan	18,143,000	18,468,000	20,978,000	22,150,875	185	188	187	192	10,010,000	9,978,626	10,001,098	10,500,000	103	105	120	122
Sanpete	11,121,446	10,934,136	11,014,269	13,356,423	56	59	54	65	5,362,946	5,651,147	5,324,412	5,484,144	64	64	67	68
Sevier	16,501,273	16,601,629	17,651,329	17,752,329	102	105	103	108	8,304,439	9,235,419	10,921,625	11,092,127	92	110	114	116
Uintah	35,413,200	36,577,992	36,587,992	36,332,891	122	122	116	121	24,700,000	22,800,000	22,800,000	17,200,000	200	189	192	157
Utah	73,818,182	82,913,562	79,145,910	80,554,625	226	247	242	212	52,454,334	55,842,946	60,787,661	70,131,611	694	623	661	663
Wasatch	16,441,172	26,289,654	27,600,319	29,136,511	91	101	115	145	6,121,535	6,752,591	7,293,781	9,011,488	160	160	166	171
Washington	29,127,229	29,429,461	31,465,613	34,057,136	113	128	129	137	18,331,000	18,544,000	19,624,000	19,949,139	230	260	300	300
Wayne	3,617,842	2,989,185	2,989,185	3,737,714	45	45	45	48	2,195,738	2,294,394	2,294,394	2,523,833	18	18	18	20
Weber	75,536,286	119,277,744	142,304,175	153,465,658	117	161	384	335	57,647,642	51,200,070	64,948,605	74,886,242	683	687	724	638
TOTALS	567,696,790	665,257,469	704,219,085	722,432,535	2,367	2,647	2,863	2,902	324,836,046	342,724,680	373,052,903	405,723,716	4,088	4,146	4,409	4,310

**UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL
2000 RISK MANAGEMENT PROPOSAL**

PERFORMANCE MEASUREMENT

In addition to the basic fee for services, Arthur J. Gallagher & Co. is eligible for bonuses of up to \$20,000 for the 2000 program year.

Arthur J. Gallagher & Co.'s performance shall be measured at the end of each quarter, using the following criteria:

- Review, analyze, and provide recommendations to UACIM regarding deductibles, self-insured retentions, loss funds, and program structures.
- Bind coverage on behalf of UACIM as required.
- Provide alternative quotations on ancillary coverages as requested by UACIM.
- Act as representative of UACIM in matters relating to UACIM's excess insurance and/or reinsurance.
- Assist in marketing the UACIM program to other Utah counties.
- Assist in the analysis and comparison of various proposals/quotations submitted to UACIM members by competing brokers.
- Participate, when invited, in monthly UACIM Board of Directors meetings.
- Participate in all full membership meetings.
- Review, analyze, and respond to UACIM questions pertaining to coverage or servicing issues.
- Return all phone calls within 24 hours.
- Review policies, endorsements, and certificates for accuracy. Request changes as needed.
- Quote, bind, and process bonds as needed.
- Act as an intermediary, when requested, between the Utah Department of Insurance and the UACIM.
- Assist the UACIM staff with members' concerns, questions, or general service issues.

Arthur J. Gallagher & Co. will be eligible for up to 25% of the annual bonus, or \$5,000, at the end of the quarter. Performance bonuses will be billed no later than 30 days after the end of each quarter.



